



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

***TESTIMONY PRESENTED TO THE GOVERNMENT ADMINISTRATION AND
ELECTIONS COMMITTEE***

MARCH 18, 2016

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Secretary

Office of Policy and Management

Testimony Supporting House Bill No. 5614

**AN ACT RAISING THE THRESHOLD FOR STATE CONSTRUCTION CONTRACTS
REQUIRING THE APPROVAL OF THE DEPARTMENT OF ADMINISTRATIVE
SERVICES AND COMPETITIVE BIDDING**

Senator Cassano, Representative Jutila, and distinguished members of the Government Administration and Elections Committee, thank you for the opportunity to offer testimony on House Bill No. 5614, An Act Raising the Threshold for State Construction Contracts Requiring the Approval of the Department of Administrative Services and Competitive Bidding.

The core sections of the bill would increase the construction cost threshold from \$500,000 to \$1,000,000 for an executive branch agency to manage their own project with the approval of the Department of Administrative Services. The increase will more accurately reflect the current costs of construction as this threshold has not been modified since 1987. The bill also adds another layer of oversight for certain projects by requiring sign off from notice to the Secretary of the Office of Policy and Management in addition to the approval by the Department of Administrative Services. In short, the bill will allow state agencies to manage more building projects on their own resulting in a more expedient and streamlined process for them and the State.

We request that sections two through five of the raised bill be removed because the bidding and prequalification thresholds should not be altered. These thresholds ensure that quality controls remain in place and help prevent against waste, fraud, and abuse, and are not impacted by the intent of the raised bill. In addition, we have attached amendment language that makes the thresholds consistent by updating CGS 4b-51 to match those included in the raised bill for 4b-52. I would like to again thank the committee for the opportunity to present this testimony. I respectfully request that the Committee support this bill.

Section 1. Section 4b-51 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The Commissioner of Administrative Services shall have charge and supervision of the remodeling, alteration, repair or enlargement of any real asset, except any dam, flood or erosion control system, highway, bridge or any mass transit, marine or aviation transportation facility, a facility of the Connecticut Marketing Authority, an asset of the Department of Agriculture program established pursuant to section 26-237a, or any building under the supervision and control of the Joint Committee on Legislative Management, involving an expenditure in excess of [five hundred thousand] one million dollars, and except that (1) the Judicial Branch may have charge and supervision of the remodeling, alteration, repair, construction or enlargement of any real asset involving an expenditure of not more than one million two hundred fifty thousand dollars, (2) each constituent unit of the state system of higher education may have charge and supervision of the remodeling, alteration, repair, construction or enlargement of any real asset involving an expenditure of not more than two million dollars, and (3) The University of Connecticut shall have charge and supervision of the remodeling, alteration, repair, construction, or enlargement of any project, as defined in subdivision (16) of section 10a-109c, notwithstanding the amount of the expenditure involved. In any decision to remodel, alter, repair or enlarge any real asset, the commissioner shall consider the capability of the real asset to facilitate recycling programs.

(b) No officer, department, institution, board, commission or council of the state government, except the Commissioner of Administrative Services, the Commissioner of Transportation, the Connecticut Marketing Authority, the Department of Agriculture for purposes of the program established pursuant to section 26-237a, the Joint Committee on Legislative Management, the Judicial Branch or a constituent unit of the state system of higher education as authorized in subsection (a) of this section, shall, unless otherwise specifically authorized by law, make or contract for the making of any alteration, repair or addition to any real asset involving an expenditure of more than [five hundred thousand] one million dollars.